

DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT

# HOME Match Program Guide

KEEP THIS PROGRAM GUIDE FOR FUTURE  
REFERENCE

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## Purpose

The HOME Investment Partnerships Matching Funds Program is to provide a portion of the required match for projects involving acquisition, rehabilitation or new construction funded through the U. S. Department of Housing and Urban Development's annual Continuum of Care Homeless Assistance Competition for the Supportive Housing Program (SHP).

## Eligible Applicants

Eligible applicants are those grantees who have been awarded Supportive Housing Program funds for acquisition, rehabilitation, and/or new construction of structures for supportive housing under the *Federal Fiscal Year Annual Notice of Funding Availability for Continuum of Care Homeless Assistance Programs*.

## Eligible Activities

HOME match funds may be used for acquisition, rehabilitation, and/or new construction costs of structures to be used for supportive housing. **Costs must be related to the structures, transitional housing or permanent housing, where program beneficiaries will reside.**

- Funds for new construction are limited to those projects with less than twelve units.
- Funds **are not** available to projects utilizing Home Investment Partnerships (HOME) Program funds through another source (i.e. your local government).
- Funds **are not** available for office space, operating costs of supportive housing, including personnel; acquisition, rehabilitation or new construction of facilities where supportive services only are to be provided; or the direct provision of supportive services.

## Award Amounts

All HOME awards are limited to fifty percent of the total Supportive Housing Program project costs for acquisition, rehabilitation, and/or new construction of structures for supportive housing, not exceeding the **lesser** of:

1. The amount of Supportive Housing Program funds awarded by HUD for acquisition, rehabilitation or new construction;
2. HOME Program per Unit Subsidy Limits: See 24 CFR 92.250.  
Web Reference:  
<http://www.hud.gov/offices/cpd/affordablehousing/programs/home/limits/subsidylimits.cfm>

To achieve geographic diversity and/or increase the number of projects funded, the Department reserves the right to award less than the match amount required.

## Funding Priority

Funding priority will be given to Supportive Housing Program grantees located outside of the following HOME entitlement jurisdictions and consortiums: Cities of Virginia Beach, Richmond, Arlington, Alexandria, Charlottesville, Chesapeake, Danville, Hampton, Lynchburg, Newport News, Norfolk, Portsmouth, Roanoke, Suffolk, Chesterfield, Fairfax, Henrico and Prince William County.

If requests are significantly greater than the available funds, projects will be evaluated through a competitive process. The priority ranking in each Continuum of Care will be considered.

## Timely Expenditure of Grant Funds

Award letters indicating a HOME funding reservation will expire after 120 days if Supportive Housing Program funds are not secured through the execution of a HUD grant agreement.

Grantees must initiate acquisition activities no later than 90 days following execution of HUD Supportive Housing Program and DHCD HOME Matching Funds Grant Agreements. Grantees must initiate rehabilitation or new construction activities no later than 120 days following the execution of HUD Supportive Housing Program and DHCD HOME Matching Funds Grant Agreement.

## Repayment

All funds offered under this program are in the form of interest free forgivable loans. The actual terms will be specified in the grant agreement. In general, loans under the HOME program are subject to repayment only if the recipient violates HOME program requirements.

## Affordability Period

Award recipients are required to utilize facilities, financed in part with HOME matching funds, to house formerly homeless Virginians for a time period mandated by the HOME regulations contained at 24 CFR Part 92. This period, known as the *affordability period*, is determined by the amount of HOME assistance per unit.

## Site Visits

Award recipients are ***subject*** to annual site visits by Department staff to determine that all applicable HOME regulations are being met. This includes an inspection of all files concerning Supportive Housing Program beneficiaries residing in HOME-assisted units. ***Certifications of income, rent calculations and lease agreements, if applicable, must be submitted to the Department annually.***

## Facility Inspections

All facilities or housing units assisted with HOME funds will be inspected for compliance with Housing Quality Standards (HQS). An annual fire inspection report must be submitted to the Department during the affordability period. A Fire Inspector must complete this report and the report must state that the facility is in compliance with the Statewide Fire Protection Code. If a facility is found out of compliance, a plan of action to correct the violations should be submitted with the report.

## Conformance with Building Codes

Housing that is newly constructed or substantially rehabilitated must meet all applicable local codes, rehabilitation standards, ordinances, and zoning ordinances. Newly constructed housing must meet the current edition of the Model Energy Code published by the Council of American Building Officials.

## Property Appraisal

An appraisal of property to be acquired or rehabilitated with HOME funds is required. The appraisal may be waived and the assessed value of the property may be used if the Department deems the assessed value to be appropriate. Under no circumstance will the amount of HOME matching funds exceed the value of the property.

## Deed of Trust

A *Home Investment Partnerships Program Deed of Trust* will be placed on HOME-assisted properties to ensure that the properties will serve low-income persons for the required period of time specified in the Affordability Period. The Department will forward the Home Investment Partnerships Program Deed to the recipient, prior to the scheduled closing date.

## Audits

**A**ward recipients should submit the following during the affordability period specified in the HOME Matching Funds Grant Agreement:

1. Organizations receiving more than \$300,000 in total federal grant awards annually are required to submit an annual independent audit in accordance with federal audit standards.
2. Organizations receiving less than \$300,000 in total federal grant funds should submit financial statements in accordance with DHCD guidelines.

## Documents Needed Prior to Disbursement of Funds

**T**he following documents and information must be submitted to the Department before any HOME matching funds are disbursed:

- Copy of the Supportive Housing Program Technical Submission as submitted to the U. S. Department of Housing and Urban Development (HUD);
- Copy of the Supportive Housing Program Grant Agreement between HUD and the grantee;
- A signed, original HOME Matching Funds Program Grant Agreement with the Department;
- Environmental Review Record concerning the proposed site(s), including a copy of the Environmental Review Checklist and documentation of any compliance actions required and taken, as required by HUD;
- Contract for Rehabilitation or New Construction, if applicable, and any change orders to contract;
- A HOME Project Set-Up Report for each property;

- Property Appraisal or Assessment;
- A signed, completed Request for Disbursement form.

## Real Estate Transaction Documentation

All funds disbursed under this program are considered real estate transactions. The following documents shall be forwarded to the Department within sixty (60) days after closing, in the case of projects involving acquisition, or upon conclusion of rehabilitation or new construction activities:

- Deed
- Home Investment Partnerships Program Deed of Trust
- Title Insurance Policy
- Hazard and Liability Insurance Policies
- Termite Inspection and evidence of treatment, if necessary
- HUD Settlement Statement
- HOME Project Completion Report (Submitted upon 100 percent occupancy, but no later than 120 days after final disbursement of funds).

## Funds Disbursement Schedule

These funds represent a dollar-for-dollar match with Supportive Housing Program funds for acquisition, rehabilitation and new construction. As a result, matching funds should be requested simultaneously, and in the identical dollar amounts as draw requests are made to HUD for



Supportive Housing Program funds. All payments are made directly to the grantee.

## Funds for Acquisition

Pending publication of the *Finding of No Significant Impact/ Notice of Intent to Release Funds* notice and completion of the required public comment period, funds will be provided at the scheduled closing date in one lump sum. If funds are not available by the date of closing, matching funds will be disbursed on a reimbursement basis. The grantee is responsible for advising the Department in advance of closing dates and expectations for payment.

## Funds for New Construction or Rehabilitation

Funds will be disbursed in three (3) increments of 30% as the project is being completed. Department Staff will conduct a physical inspection of work completed, before **each** drawdown. No funds will be disbursed until the work meets the Department's satisfaction. The grantee is responsible for contacting Department staff to schedule inspections. The final 10% is disbursed after a final "punch list type" inspection is conducted and the local building official has issued a Certificate of Occupancy. The final drawdown cannot be less than 10% of the total commitment amount. No disbursements will be made following request of the final 10% payment.

### **\* IMPORTANT \***

**The grantee is responsible for meeting all general contractors and subcontractors' payment schedules if a HOME disbursement cannot be made within the schedule. Grantees with limited cash flow are advised to obtain a Line of Credit with a financial institution to meet new construction or rehabilitation contract obligations.**

# Applicable Laws and Regulations

Compliance with applicable laws and regulations will be reviewed during annual site visits. The following federal requirements apply:

- Equal Opportunity and Fair Housing
- Affirmative Marketing
- Environmental Review
- Displacement, relocation, and acquisition
- Labor
- Lead-based paint
- Conflict of Interest
- Debarment and suspension
- Flood insurance
- Executive Order 12372
- All other applicable state and federal regulations

## Making Application

**T**o apply, for the HOME Investment Partnerships (HOME) Matching Funds Program, the following must be submitted:

- The Application Cover Page ( provided in this manual – pages i, ii)
- A copy of the Supportive Housing Program Award Letter from HUD
- A copy of the successful Continuum of Care Supportive Housing Program application

Submit completed application package to:

**Housing and Homeless Assistance Unit  
Virginia Department of Housing and Community Development  
Division of Housing  
The Jackson Center  
501 North Second Street  
Richmond, VA 23219-1321**

# Definitions

***Acquisition*** - the purchase of real property.

***Appraised value*** - the monetary worth of property as determined by an appraiser.

***Assessed value*** - the monetary worth of the facility/property as determined by the real estate assessment office of the local government where the same is located for tax purposes. (The applicable assessed value shall be that value in effect as of the application date.)

***Department*** - the Virginia Department of Housing and Community Development. HOME means the federally funded HOME Investment Partnership Program.

***HQS*** - the HUD Section 8 Housing Quality Standards.

***HUD*** - the U. S. Department of Housing and Urban Development.

***Matching Funds Program*** - the funds provided by the Department as match for projects funded through the Supportive Housing Program for new construction, acquisition, or rehabilitation of structures for supportive housing or to provide supportive services.

***Project sponsor*** - a successful applicant to the Supportive Housing Program who is awarded match funds through the Department's matching funds program.

***Supportive Housing Program*** - an allowable activity under the Federal FY 1998 Notice of Funding Availability for Continuum of Care Homeless Assistance.

***Term*** - the period of time over which a loan is outstanding, from the time at which it is disbursed until the time it is entirely repaid or the time at which all requirements have been met and the loan is forgiven.

## APPLICATION COVER PAGE

**Specific Project Address (es):** (If known)

**Amount awarded under the Supportive Housing Program for New Construction, Rehabilitation, and/or Acquisition activities:**

\_\_\_\_\_

\$ \_\_\_\_\_

\_\_\_\_\_

\$ \_\_\_\_\_

\_\_\_\_\_

\$ \_\_\_\_\_

**Do you have site control of the above properties?**

Yes ☐

No ☐

**Total Amount Requested under the HOME Match Program:**

\$ \_\_\_\_\_

**Applicable Continuum of Care Plan:** \_\_\_\_\_

**Contact Information for Continuum of Care Plan:**

Name: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_

Phone Number: (      ) \_\_\_\_\_

**Priority Ranking (number) of Project within Continuum of Care Plan:** \_\_\_\_\_

I certify that I have read and understood the HOME Investment Partnerships (HOME) Matching Funds Program Application Manual and have answered the questions in this Application to the best of my ability:

\_\_\_\_\_  
Signature of Authorized Representative

\_\_\_\_\_  
Date

\_\_\_\_\_  
Title